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5-6 2009 VISIT TO SAUDI ARABIA

Classified By: SCOTT MCGEHEE, PM COUNSELOR FOR REASONS 1.4.(B) AND (D)

11. KEY POINTS

- -- (U) The King will strongly welcome your visit as an opportunity to hear your assessment of regional security issues and particularly to hear about U.S. plans toward Iraq, Afghanistan, Pakistan and Iran.
- -- (C) Saudi foreign policy calculations are driven by a deep fear and suspicion of expanding Iranian influence. While US-Saudi relations have improved dramatically since their post-9/11 nadir, differences remain over US policies towards the region.
- -- (C) As the author of the Arab Peace Initiative, King Abdullah risked his personal prestige to advocate a comprehensive Middle East peace as the "strategic option" for the Arabs in 2002, only to be frustrated by what he saw as US reluctance to engage over the next seven years.
- -- (C) The Saudis view the new Israeli government with growing alarm, and see the window of opportunity for any deal with Israel as rapidly closing. The Saudi Council of Ministers recently denounced statements attributed to officials in the new Israeli government disavowing the Annapolis process and rejecting the establishment of a Palestinian state.
- --(C) Similarly, in the Saudi view, we ignored advice from the King and Foreign Minister against invading Iraq. In the words of Foreign Minister Saud Al-Faisal, "military intervention in Iraq and Afghanistan has tilted the regional balance of power towards Iran." Among other things, this affected Saudi willingness to cooperate to support the Al-Maliki government in Iraq, viewed as too close to Iran for Saudi comfort.
- --(C) The US debate over whether and how to engage Iran has fueled Saudi fears that a new US administration might strike a "grand bargain" without prior consultations.
- $\P2$. What follows is an brief overview of key current issues in U.S. - Saudi relations, tailored to the particular issues that your Saudi interlocutors will likely raise with you.

Concerns about the Peace Process

13. (C) King Abdullah stated the Saudi position bluntly in the opening session of the Arab Economic Summit in Kuwait on January 19: Israel should realize that the choice between peace and war will not be available indefinitely, and that the Saudi-authored Arab Peace Initiative, currently on the table, will not remain on the table forever. Saudi and Arab public opinion reacted strongly to the Israeli offensive on Gaza, creating intense pressure on regional governments to act. Now, following the election of a government which appears to reject not only the Annapolis Process but the very concept of a Palestinian state, Arab moderates are under even

greater pressure from rejectionist forces who say the Netanyahu election is proof-positive that there is no point in negotiating with Israel. Despite an ongoing Egyptian-Qatari rift and Syrian machinations, and maintaining his composure in the face of Libyan insults, King Abdullah succeeded in orchestrating a unified outcome at the March 30 Arab League Summit, which reaffirmed the Arab commitment to the Arab Peace Initiative.

¶4. (C) The Saudi goal of maintaining Arab unity has been achieved, at least temporarily. The Saudi leadership will continue to support Egyptian efforts to build a Palestinian unity government, and if these efforts fail, will be open to efforts by other Arabs. They will wait until the situation in the territories stabilizes before contributing more aid or disbursing Gaza reconstruction assistance already pledged. Finally, they will wait for the U.S. to "force" Israel back to the bargaining table. We assess that they haven't formulated a "Plan B" in the event that this does not happen, though their priority remains containing Iran. It is ironic that the new Israeli government has been raising similar concerns.

U.S.-Saudi Military Relations

- 15. (C) Saudi Arabia is in the process of acquiring a new generation of military equipment and technology as part of a broad effort to modernize it military forces, to address new security challenges in the region, and to protect its critical infrastructure and borders. Since the 1950s, Saudi Arabia has looked to the United States as its main partner in building its defensive capabilities. The Saudi-American military partnership has been strong and successful as well as a source of bilateral continuity.
- 16. (C) The Saudis see changing threat dynamics in the Gulf region. Israel is viewed neither as a significant threat nor as a future target of Saudi military action. The threats Saudi Arabia seeks to defend against come from elsewhere: Iran with its growing military capabilities and its complex hegemonic ambitions, a deteriorating Yemen on its southern border, and the threat posed by domestic extremist groups. To adapt, Saudi Arabia is looking abroad for expertise, training, weaponry and technology. European countries, China and Russia are lobbying to fill that role. In the post-9/11 environment, many influential Saudis military officers questioned the wisdom of continued reliance on the U.S., given the rise in anti-Arab rhetoric, releasability restrictions, poor treatment encountered by Saudis traveling to the U.S., and a general perception that Saudi Arabia is regarded as something less than a trusted ally.
- 17. (C) The U.S. has not lost its status as Saudi Arabia's preferred source of military advice and equipment, but the foundation of our military relations has suffered strains. Your visit, and reassurances you can provide on the U.S. committment to stong military ties with Saudi Arabia can help restore our relations.

Iran

18. (S) Iran remains the strategic threat at the forefront of Saudi security concerns. Senior U.S. officials visiting the Kingdom recently have heard the King expound at length about the great danger that Iran poses to the region. In general, the Saudi leadership has begun to look at all regional security issues through the prism of their fears about growing Iranian influence. They see Iran's activities as dangerously provocative, not only in Iraq, but also in Lebanon, Bahrain, Yemen, central Africa and southeast Asia. King Abdullah met with Iranian Foreign Minister Mottaki earlier this month, and subsequently informed the NSC's John Brennan that he vented anger at Mottaki, upbraiding him that "Persians" have no business meddling in "Arab" affairs and

threatening that he would give Iran no more than a year to repair its relations in the region. Saudi intelligence chief Prince Muqrin told Brennan the "Shi'a crescent has become a full moon," implying that the Saudis are surrounded by Iranian intrigues.

19. (S) On Iranian nuclear activities, the Saudi view is that nations have the right to a peaceful nuclear program, but that Iran does not have the right to do what it is doing. The Saudis want to see a peaceful solution to the Iran nuclear problem but they also want reassurance that Saudi interests will be factored into any deal struck with Iran.

Iraq

- 110. (C) Saudi Arabia continues to drag its feet on engagement with the Al-Maliki government, forgiving Iraqi debts, and sending an ambassador to Baghdad. This reluctance seems to be easing as the political/security situation stabilizes. The Saudis need assurances from us that Sunni factions are being integrated into Iraqi political processes; that the Al-Maliki government is acting independently of Iran; and that the security situation has improved sufficiently to allow a Saudi envoy to function without undue fear of being targeted by terrorists. The Saudis seek to maintain Iraq's unity, its Arab identity, and its sovereignty.
- 111. (C) In a conversation with the Ambassador, Saud Al-Faisal suggested that the Neighbors Process would be a useful vehicle for isolating the Iranians. We understand from our French colleagues that this subject was discussed during Turkish President Gul's recent visit to the Kingdom, with the Saudis pressing the Turks to play a stronger regional coordination role.

Afghanistan

112. (S/NF) We have been encouraging the Saudi government to be more active in support of the Karzai government, in particular by helping to train, or to fund the training, of Afghani security forces. Saudi Arabia has been helpful in providing assistance, but we would like them to do more. One area in which Saudi diplomacy has been forward leaning is in offering to help mediate between the Afghan government and the Taliban. However, Chief Prince Muqrin told U/S Edelman that Saudi efforts to mediate in Afghanistan would only go forward if the Taliban accepted a series of conditions. The key conditions are that the Taliban 1) be willing to lay down arms; 2) accept that Afghanistan is for all Afghanis; 3) agree that once a deal is struck that there would be no backsliding; and 4) that no talks would be held in Saudi Arabia. The Saudis have not been able to gain traction with Taliban factions and the would-be mediation effort appears stuck in neutral.

Pakistan

113. (C) The Saudis are extremely concerned about Pakistan's political fragility and have worked hard through their embassy in Islamabad to bring the Pakistani factions together. Saudi relations with Pakistan have been strained because the Saudis don't trust Zardari and see him and other leading Pakistani politicians as corrupt. Zardari visited Saudi Arabia last November for talks with King Abdullah on Saudi support for the Friends of Pakistan initiative and oil subsidies. The visit was an opportunity for Zardari to persuade skeptical Saudis that he can be a trustworthy partner in managing one of Saudi Arabia's most important regional relationships, but appears to have paid little dividend for him. The Saudis have been holding back economic and political support pending evidence that the political situation in Pakistan is stabilizing. King Abdullah met with

former President Musharraf early this month, a further indication that Saudi Arabia remains at odds with the Zadari government.

Internal security

- 114. (C/NF) With our assistance, Saudi Arabia has largely defeated terrorism at home. The Saudis are now one of our most important counter-terrorist intelligence partners. They established tighter controls on charities and the transporting of cash to disrupt terrorist finance. We have signed an Information Sharing Agreement with the Kingdom and started to exchange Airline Passenger Information and Passenger Name Records (API/PNR) to help track terrorist suspects and facilitate legitimate travel. While concerns about foreign fighters regrouping in Yemen remain, we can say clearly that Saudi Arabia is now part of the solution, not the problem.
- 115. (S/NF) The Saudi leadership remains greatly concerned about the vulnerability of its energy production facilities, and has put Prince Mohammed bin Nayef (MBN) in charge of efforts to acquire the capability to defend this key infrastructure. He is looking primarily to the U.S. for build this capability through an initiative formalized last November when the MOI submitted a Letter of Request for the U.S. to train and equip the Saudi Facilities Security Force (FSF) to protect the Kingdom's critical infrastructure. We have established an inter-agency, DOS/DOD/DOE, security advisory organization, the Office of Program Management-Ministry of Interior

the Office of Program Management-Ministry of Interior (OPM-MOI), to implement this bilateral security agreement. King Abdullah has made the protection of Saudi Arabia's critical infrastructure a top security priority, with MBN fully empowered to achieve this objective.

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